

**NORTH PARK REDEVELOPMENT  
PROJECT AREA COMMITTEE (PAC)  
REGULAR MEETING MINUTES**

**Tuesday, June 8, 2010**

San Diego National Bank (6<sup>th</sup> Floor), 3180 University Avenue, San Diego, CA  
92104

Comments and PAC actions relating to items on today's agenda are noted herein.

**I. ROLL CALL & INTRODUCTIONS**

The chair convened the meeting at 6:00 p.m.

<b>Kirsten Clemons</b>	Absent	<b>Judi O'Boyle</b>	Present
<b>Patrick Edwards</b>	Present	<b>Lachlan Oliver</b>	Present
<b>Don Leichtling</b>	Present	<b>Robert Steppke</b>	Present (arrived 7:30pm)
<b>Roger Lewis</b>	Present	<b>Mark Stern</b>	Present
<b>Valerie Loy</b>	Present	<b>James Tinsky</b>	Present
<b>Lucky Morrison</b>	Present	<b>Mary Wilkerson</b>	Present

**II. ADOPTION OF AGENDA**

**Motion** (Oliver/Stern): *To adopt the agenda as presented.*

**Passed** (10-0-0)

**III. APPROVAL OF MINUTES**

**Motion** (Leichtling/Morrison): *To adopt the minutes as presented*

**Passed** (9-0-1) Abstaining: Lewis (did not attend May meeting)

**IV. ELECTED OFFICIALS REPORTS**

None.

**V. PUBLIC COMMENT**

A concern was raised about the amount of time it has taken to see built progress on the Boundary Street improvement project and also noted opposition to the possible inclusion of a community gardens aspect.

Ross Lopez commented on need for a local project similar to the 'facelift' program the Union-Tribune recently wrote about regarding a private effort to improve single family residences and asked for discussion by the PAC on this subject at a future board meeting.

Brandon Cohen asked to be heard on future agenda for consideration of agency assistance for a residential project to meet historical requirements to bring a property into compliance allowing for development.

Martin Chevalier raised concern similar to the first public comment regarding the time it has taken to implement the Boundary Improvement Project.

Lynn Elliot announced that the Summer Bird Park Concerts will be starting this coming Saturday.

Don Leichtling re-announced his organization the NPRID

Lucky Morrison offered thanks to SDPD for upgraded patrolling of the neighborhood around the 30<sup>th</sup> and University restaurant-bar area this past weekend

## **VI. CHAIR'S REPORT**

None.

## **VII. ACTION/DISCUSSION ITEMS**

### **A. Recommendation on Implementation of an Interim Program to Assess Levels of Sustainability of Various Projects that are Presented to the PAC.**

Mark Stern detailed briefly the history of the effort working with Platt-Whitelaw on a sustainable project assessment process for private projects seeking agency funding. He talked to specific aspects of the handout provided to the PAC and the public explaining the composition and purpose of the spreadsheet-checklist design program. He noted the subcommittee is now proposing an interim plan to move forward while waiting for the city to adopt its 'Cal Green' program, the program which will be used as the base in implementing our design process. The interim process proposes that the green criteria kick in for commercial projects exceeding \$100K. Jim Tinsky asked the PAC to adopt the use of the lead silver criteria in the interim months before the city adopts the 'Cal Green' policy in January of 2011. Tinsky noted the PAC will rely on city plan check process to verify our project design requirements.

PAC Discussion: Leichtling stated he was not prepared to vote on the proposal tonight given the short time to review the proposal. Morrison agreed he is not prepared to vote on the proposal. Loy agreed with prior two comments. Edwards asked for clarification on references to energy standards that specifically refer to solar electricity components. Allison Whitelaw, the contracted consultant to the PAC, noted this document takes a more holistic approach and is relying on the flushed out new green building code "Cal Green" which will be implemented city wide in January 2011. She noted the program will call on a more integrated approach to meeting the criteria that may include solar as a component rather than solar alone being sufficient. Oliver agreed noting his support for the process and his concern about seeing a particular project coming in for assistance relying upon something like solar panels alone. Stern noted he appreciated the committee members concerns about having time to review the proposal and noted the committee is still working on the single family component. O'Boyle noted her concern over the provision that projects of less than \$100K appear to not be required to meet criteria even at a reduced level. Lewis clarified that once the city standards are adopted all projects independent of the PAC process will be required to met them at the minimum and suggested the committee plan to come back to vote on the proposal in one months time. Tinsky explained that projects under \$100K will be encouraged to come forward with green aspects regardless. Edwards asked for clarification about the lead category for electrical components. Oliver reminded the PAC that the document is a 'living document' that can be adapted as the process is worked out. Stern noted by requiring developers complete the application/checklist, it will reflect the developer's amount of research into the LEAD/Cal Green certification process and noted that Platt-Whitelaw

will assist the PAC in applying the process to an initial pilot project. Lewis expressed the importance of the pilot process being promoted and reviewed in an equitable fashion given the recent number of project proponents coming forward and being asked by the PAC to wait for the availability of this process. He further noted that, in effect, it will a competition regardless of whether a project is less than \$100K or higher.

**Motion** (Leichtling/Tinsky): *Table the adoption of the Sustainability Criteria until the July meeting with the board having the ability to review and request more information from the subcommittee for discussion at that meeting.*

**Passed** (10-0-0)

## **B. Consideration of Agency Assistance to Wang's North Park for Tenant Improvements**

Mike Lengyel provided an updated project spreadsheet which now included the cost of the proposed acquisition of the JC Penny's building as a basis for considering new funding requests going forward.

Joel Herzer introduced himself and Tom Eads as the managing partners of Wang's San Diego and handed out hard copy of the proposal previously provided to the PAC and provided some detail on their business proposal and the working aspects. He noted they are working on parking with the owner of the surface lots on a parking agreement and addressed the issue of the nature of the activities that will be taking place in the building, especially on the upper levels. He noted the landlord did not want to provide any concessions to them on tenant improvements. Therefore they are asking for public assistance to properly address hard improvements for their business as well as access improvements for future other tenants.

**Public Discussion:** A member of public asked for clarification on lease. Herzer noted they are negotiating a 15 year lease with 5 yr option for use of the whole building. A member of public raised a question on available parking and liquor licenses. Herzer noted they already have a liquor license and believe through the use of the parking structure and an agreement with the surface lot owners they can meet parking requirements. A question was asked about the kind of liquor license. Herzer noted they had "new transfer type 47", (full license), in which they were asking for 12 pm (midnight) cutoff. A question was asked about whether there was a water issue in basement and about any facade changes. Herzer noted there is proper drainage and ventilation accommodated for in the basement and that he was not aware of any seismic retrofit. Eads pointed to a depiction showing the addition of a large street level window opening onto Ray St. Herzer pointed out the proposed passage way on the east side of the building planned for access to the upper level and also noted they have interest from a potential tenant. He expressed the benefit to the community of bringing in a large scale project/business such as theirs.

### **PAC Discussion:**

Stern asked about green compliance and willingness to work with PAC green program. Herzer noted they are talking with a Boston green architectural firm for assistance in design and that they are very willing to work with the PAC project review program. Oliver asked about for more detail about the cost of improvements being requested and asked for a breakout. Herzer noted they may run into unknowns but have tried to identify best the hard costs. Wilkerson noted her support for a large scale restaurant and asked how the window design would interact with people on the street and suggested some kind of lighting or art component on the facade. Eads noted they hadn't thought about it specifically because of possibility of vandalism. He noted they are planning to accommodate art and artists inside. Edwards asked about the capacity of the utilities specifically regarding the grease trap capacity in relation to the sewer lines and noted the large nature of funding being requested. Herzer indicated his contracted plumber had assessed the sewer line as being adequate for the expected size of the kitchen. Loy

asked about number of estimates pursued for the kitchen equipment. Herzer noted they had generally three quotes on things like the hood, etc. Morrison asked who was named on the liquor license. Herzer noted it is just the two project owners on the license. Leichtling asked about their desire to have live music. Eads noted they might consider a number of uses on the upper level but that any additional renters would be accountable for their own licenses and requirements. Tinsky clarified that the request is for a forgivable loan prorated over seven years. Lewis noting the earlier discussion of the project assessment green criteria expressed his support for the project and asked about their ability and willingness to work within the timelines to be considered as 'the pilot project' for their funding request. Herzer responded that their lease is signed and they have the liquor license in hand but as always they need to know timelines as they are paying on the lease and are acquiring property and equipment and would hope the PAC process would not extend for a number of months. Eads raised a concern as to whether their project would be judged solely on its green aspects. O'Boyle expressed interest in seeing the lease being of a longer period than seven years. Stern responded to Eads concerns explaining that the 'Green Criteria' is not the only consideration for a project during evaluation, that the projects overall benefit to the neighborhood, the nature of the improvements to the project area, etc. all receive high consideration. Edwards asked if their loan was in hand. Herzer noted that a lender has indicated a strong interest in the project. Morrison noted the additional width in the men's room might be better suited to a women's room and asked if they would consider switching them to better accommodate more stalls.

**Motion** (Edwards/O'Boyle): *Approve the loan request not to exceed \$500K for Wang's Restaurant proposal with staff review of line item cost for a 10 year forgivable loan.*

Discussion: Lewis and Stern both spoke against the motion in fairness of notification considering the PAC's previous stated position to project applicants. Oliver stated he understood the fairness issue but supported this project and asked for a subcommittee process involving the city and Wang's to review their cost request. Lewis raised concern over an inconsistency if breaking precedent and approval is given for this request. He suggested the PAC consider implementing a more equitable approach having the agency put out an announcement notifying all developers, including pass applicants, of the opportunity to apply for funding as a pilot project under the review process being adopted in July. Tinsky supported the motion noting he saw a distinction between considering new versus existing business requests.

**Passed** (8-3-0) Lewis, Stern, Steppke opposed.

### **C. Consideration of Agency Assistance for a Monument at Shirley Ann Place**

Jerry Kwasek spoke representing the Shirley Ann Place (SAP) residents monument request and explained that SAP was granted \$35K years ago in CBDG funds to cover sidewalk improvements as well as four monuments for the newly designated historic district, but while the sidewalks went in the monuments were never built. He noted Bill Anderson of the city recommended they approach the PAC for funding.

Public Discussion: A neighbor noted that there are too many needs for lighting, cleaning, etc. to warrant spending money on this monument. Another neighbor, not on SAP, commented that many homeowners receive Mills Act tax relief and should not necessarily receive public tax increment money. A SAP resident responded that they are required by law under the Mills Act to maintain their houses under restrictive criteria. A resident of SAP noted that while yards are small, many have invested ongoing time and money in their homes on that street. Bob Bauer asked about whether using Tax Exempt Bond money would alleviate concern over using public Tax Increment money. Lengyel noted exempt tax funding could be used but it is bonded against Tax Increment.

PAC Discussion: O'Boyle noted that she could better consider the monument if it better focused on the historic aspects of street and noted that Mill Acts savings are supposed to be used to fix up houses and neighborhood and could provide for something of this nature. Leichtling asked about construction cost. Kwasek noted it was about \$5K. Leichtling expressed his support expressing his feeling the money is nominal. Edwards supported the concern that it needs to be a neighborhood activity created by the people that live there. Wilkerson indicated similar sentiment about it not being historic. Steppke noted his concern over using redevelopment funding to make whole on uncompleted projects where prior funding didn't come through. Oliver noted that it was his preference for art and cultural diversity that brought him to the neighborhood. Stern indicated support for monument given down nature of community. Morrison noted that \$5K is not a drop in the bucket when it is tax payer money.

**Motion** (Leichtling/Morrison): *Have SAP residents return to the next meeting with photos or images and a cost accounting for the requested monument for PAC reconsideration.*

**Passed** (6-5-0) Opposed: Edwards, Lewis, O'Boyle, Steppke, Wilkerson

#### **D. Recommendation on Issuance of a Pooled Series of Tax Allocation Bonds for Development of Affordable Housing**

Lengyel of the agency explained that the combined project areas have pooled their affordable housing funds in the past and are in need up updating/re-approving this practice for the coming years bonding issuances.

Discussion: Lewis noted the PAC initiated this practice with NOFA ten years ago and this is a continuation of that effort in noting his support. Tinsky asked Lengyel if there's any down side to our project area. Lengyel responded with clarification and noted the agency's position that it was a positive for our financial balance sheet. Leichtling indicated his support but asked that NTC project area actually be required to build affordable housing. Edwards asked if we have seen a reduction in interest costs on our lines of credit. Lengyel noted we did see a small reduction on last line of credit but that is not available now. Oliver asked if principal payments are built into the loan size. Lengyel responded that they are not, that there will be an annual payment and we are pulling down debt to pay for prior projects. Stern indicated he had spoken with SEDC noting they are looking to go to bond for available housing and asked if they were included here. Lengyel noted they are independent.

**Motion** (O'Boyle/Edwards): *Support the issuance of a pooled series of tax allocation bonds for the development of affordable housing*

**Passed** (11-0-0)

#### **E. Consideration of Development of a Program to Provide Agency Assistance for One to Four-Unit Multifamily Development.**

Lengyel represented the agency position that the PAC be involved directly in marketing. Stern noted distinction between funding of 1-4 units and 5 or more units. Lewis asked if this was directed to owners or renters. Stern noted it could apply to both and suggested it could be determined by a subcommittee

PAC Discussion: Leichtling asked why there is a limitation at four units and suggested it should be applied to larger multi residential projects. A number of comments centered upon more consideration of the details of a program.

**Motion** (Stern/Leichtling): *Create an ad-hoc subcommittee to formulate policies which allocate redevelopment funds for improvements to multi-family properties*

**Passed** (10-0-1) Abstaining: Steppke (Stern, Leichtling, Wilkerson and Loy volunteered for the subcommittee)

## **VIII. SUB-COMMITTEE/LIAISON REPORTS**

### **A. Maintenance Assessment District (MAD)**

Steppeke noted the MAD had not met recently.

### **B. Project Area Improvements**

Leichtling reported that the committee has received updated MAD boundary information and will be scheduling a meeting soon to move forward with the Boundary project.

### **C. North Park Community Plan Update**

Lewis reported CPUAC met and went over consideration of open space and parks. Leichtling reported on the CPUAC Open Mic presentations of the Hillcrest Business Association, the Boulevard BID, the UCSD Association., and the Bicycle coalition.

### **D. Green/Sustainability Initiatives**

(Covered in discussion of Agenda Item).

## **IX. STAFF REPORTS/PROJECT UPDATES**

### **A. Redevelopment Agency Budget**

Lengyel provided the monthly spread sheet handout of budgeted projects.

### **B. Parking Structure Art Project**

Blair and Lengyel met with Larry Stein about scanning images to move project closer to installation.

### **C. Eminent Domain Extension Blight Analysis**

Waiting still for traffic consultant to be brought on board.

## **X. REQUESTS FOR NEXT AGENDA**

**A.** SAP monument re-consideration

**B.** Facelift program

**C.** Design of lights on EC Blvd

**D.** Media arts center

**E.** Green initiative

## **ADJOURNMENT**

**Motion** (O'Boyle/Tinsky): *To adjourn at 8:45 pm.*

**Passed** (11-0-0)